

No. 98, S.]

[Published May 8, 1957.]

CHAPTER 60

AN ACT to repeal 40.22 (19), 59.07 (4) (a), 60.29 (37), 66.209 (2), 66.47 (13), 66.505 (12), 66.508 (12), 66.901 (5) (j), 66.902 (3) (b) to (m), (4) and (5) (c), (d) and (e), 66.904 (1) (a) 5 and (e), 66.918 (1) (intro. par.) and (a) and 144.07 (4) (g); to amend 66.901 (2), (9), (11), (14), (16), (19) and (20), 66.902 (2) (intro. par.) and (b), 66.904 (1) (b) 3 and 4, 66.905 (1), (a) and (2) (b), 66.906 (2) (a) 2, (4) (a) and (5), 66.907 (2) (a) 1 and 2 and (e) (intro. par.), 66.908 (2) (c) and (e), 66.909 (1) (c), 66.91 (1), 66.912 (1) (b), (e) and (t), 66.916 (4); to repeal and recreate 66.907 (2) (c) 2 and 66.912 (1) (n); and to create 66.901 (21), 66.906 (3) (g), 66.909 (1) (e), 66.916 (5) and 66.918 (1) (a) of the statutes, relating to clarification of various provisions regarding the Wisconsin retirement fund.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- SECTION 1. 40.22 (19) of the statutes is repealed.
- SECTION 2. 59.07 (4) (a) of the statutes is repealed.
- SECTION 3. 60.29 (37) of the statutes is repealed.
- SECTION 4. 66.209 (2) of the statutes is repealed.
- SECTION 5. 66.47 (13) of the statutes is repealed.
- SECTION 6. 66.505 (12) of the statutes is repealed.

SECTION 7. 66.508 (12) of the statutes is repealed.

SECTION 8. 66.901 (2) of the statutes is amended to read:

66.901 (2) MUNICIPALITY. The state * * * and any city, village, town, county, common school district, high school district, county-city hospital established under s. 66.47, sewerage commission organized under s. 144.07 (4) or a metropolitan sewerage district organized under ss. 66.20 to 66.209, or any other unit of government, or any agency or instrumentality of 2 or more units of government now existing or hereafter created within the state.

SECTION 9. 66.901 (5) (j) of the statutes is repealed, but such repeal shall not affect any rights created or action taken pursuant thereto prior to the effective date of such repeal.

SECTION 10. 66.901 (9), (11), (14), (16), (19) and (20) of the statutes are amended to read:

66.901 (9) An amount equal to the sum of the total amount of money paid on a regular payroll by a municipality to an employe for personal services rendered to such municipality and the money value, as determined by rules prescribed by the governing body of the employing municipality, of any board, lodging, fuel, laundry and other allowances provided for such employe in lieu of money, *excluding uniforms*, except that beginning January 1, 1955, no amount in excess of \$4,200 in any calendar year shall be considered for any purposes of this system. The balance of any calendar year in which compensation is received after the \$4,200 limit * * * has been attained shall otherwise be deemed to be a period during which earnings were received.

(11) The * * * earnings obtained by dividing *one-third* of the total earnings during the period of the 5 consecutive calendar years in which the total earnings of an employe were the highest, by the number of * * * *calendar quarter years* in such period during which any earnings were received by such employe; provided that the earnings for all calendar years of prior service of any employe shall be considered as being equal to earnings determined at the rate upon which prior service credits are granted under s. 66.904 (1) (a) 1.

(14) A series of * * * monthly payments, payable at the end of each calendar month during the life of an annuitant; the first payment to be made as of the end of the first complete calendar month following the date upon which such annuity * * * *begins*, and the last payment to be made as of the end of the calendar month prior to the month in which the annuitant * * * *dies*, except as provided in * * * ss. 66.906 (3), (3a) and 66.909 (1) (d). In addition to the regular monthly amount, the first payment shall include an amount equal to the pro rata portion of such monthly amount for any fraction of a month elapsing between the date such annuity begins and the end of such calendar month * * *.

(16) The council or common council in cities, village board in villages, county board in counties, school boards in common school districts or high school districts, joint county-city hospital board, joint sewerage commission, or metropolitan sewerage commission, or town board, or the board or commission having the final authority for any other unit of government or for any agency or instrumentality of 2 or more units of government, or any agent duly appointed by any such body and designated in a written notice filed with the board as being authorized to act for any such body in matters pertaining to the fund. For the state * * * there shall be a governing body for each department, board or commission thereof which governing body shall be, for each such department, board or commission, the respective head thereof, who shall be certified in writing to the board of trustees by the director of the bureau of personnel for the state * * *.

except that the director of budget and accounts shall be the governing body for circuit judges and other circuit court personnel.

(19) The rate determined by the board from the experience of the calendar year or part thereof which, after making provision for the reserves authorized by s. 66.916 (2) and after providing for interest requirements * * * on the annuity reserves will distribute the remaining interest income for the year to the balances in the additional, normal, municipal and prior service credit accounts of the individual employees.

(20) The rate of interest to be used for all calculations of * * * amounts of annuities and benefits, as determined and certified by the board on the basis of the probable average effective rate of interest earnable on investments on a long term basis. For prior service obligation purposes, and until the board certifies otherwise for other purposes, such rate * * * will be 3 per cent per annum compounded annually.

SECTION 11. 66.901 (21) of the statutes is created to read:

66.901 (21) CALENDAR QUARTER YEAR. A period of 3 months beginning on January 1, April 1, July 1 or October 1 of any year.

SECTION 12. 66.902 (2) (intro. par.) and (b) of the statutes are amended to read:

66.902 (2) (intro. par.) Election by a municipality to be included within the provisions of this fund shall be made * * * *by a resolution adopted by a majority of all the members of the governing body.* The governing body of any municipality so electing shall immediately submit a certified notice of such election to the board. Such notice must:

(b) Indicate the date of such election * * *;

SECTION 13. 66.902 (3) (b) to (m), (4) and (5) (c), (d) and (e) of the statutes are repealed, but such repeal shall not affect any rights created or action taken pursuant thereto prior to the effective date of such repeal.

SECTION 14. 66.904 (1) (a) 5 of the statutes is repealed, but such repeal shall not affect any rights created or action taken pursuant thereto before the effective date of such repeal.

SECTION 15. 66.904 (1) (b) 3 and 4 of the statutes are amended to read:

66.904 (1) (b) 3. All balances at the beginning of any year, and all amounts credited to participants during the year in accordance with par. (a) 3, not remaining in such accounts at the end of the year because of the granting of annuities or *death* benefits during the year, shall be improved with interest, on the first day of the month in which the first annuity or *death* benefit payment is due, for each full month elapsing between the first day of the year or the date of credit, as the case may be, and the first day of the month in which such first annuity or *death* benefit payment is due, at one-twelfth of the effective rate of interest for the preceding year. *This subdivision shall not apply to death benefits under s. 66.908 (2) (b).*

4. Upon the granting of a retirement annuity, a disability annuity, a death benefit or a separation benefit, all of the accumulated credits of such participant shall thereupon be terminated and no further right to such credits shall exist other than the right to such annuity or benefit so granted except as provided by s. 66.908 (2) (c) * * *, (d) and (e).

SECTION 16. 66.904 (1) (e) of the statutes is repealed. All accounts affected by such repeal shall be credited with interest as if such suspension had not occurred.

SECTION 17. 66.905 (1) (a) and (2) (b) of the statutes are amended to read:

66.905 (1) (a) Municipality contributions of the percentages, as specified in this section, of each payment of earnings made to each participating employe. Such contributions shall be made by the state * * * from the respective funds from which the salaries are paid to the employe for whom such contributions are being made; the heads of the respective state departments, boards and commissions which make the salary deductions in accordance with s. 66.903 (2) (e) shall, at the time that said salary deductions are sent to the board, by applying the municipality contribution rate of the state * * * to the appropriate portion of the earnings of the respective employes of that department, board or commission, determine the amount of the corresponding municipality contribution to be made by the proper fund of the state * * * and shall indicate the amount of such contribution on the monthly payroll report submitted in duplicate to the fund. * * *. The fund shall transmit one copy of such monthly payroll report to the director of budget and accounts together with a voucher * * * for payment to the Wisconsin retirement fund, from the appropriate state funds, of the amounts payable thereto as indicated by the copy of the payroll reports so submitted. Thereupon the director of budget and accounts shall promptly approve such voucher * * * for payment and the state treasurer shall forthwith issue his check * * * therefor to the Wisconsin retirement fund.

(2) (b) The amount of the single payment required, after allowance for anticipated employe separations, because of earnings paid to employes of * * * *the municipality*, to provide all municipality credits granted during such year; adjusted by the uniform annual amount required, at the prescribed rate of interest, to amortize or to refund * * * over 10 years, the amount, as of the beginning of such year, of any then existing obligation for, or surplus applicable to, the municipality credits previously granted to the employes of the municipality, and to the granting on account * * * of any employes of the municipality, of death benefits in excess of the amount of the available accumulated credits of such employes.

SECTION 18. 66.906 (2) (a) 2 of the statutes is amended to read:

66.906 (2) (a) 2. Such annuities shall begin on the date specified by the participant in the written application therefor, provided such date is not prior to the date of separation from the last participating municipality by which such participant was employed, and provided such date is not more than 60 days prior to the date of receipt of such application by the board; and provided the credits of the participant are sufficient as of such date to provide an annuity of at least \$10 beginning immediately; and provided the participant has attained the age of 55 * * *. *No application shall be filed with the board unless the date therein specified on which an annuity is to begin is not later than 90 days after the date of receipt of such application by the board.*

SECTION 19. 66.906 (3) (g) of the statutes is created to read:

66.906 (3) (g) If the amount of the monthly payments to a beneficiary of an annuitant under this subsection is less than \$10, such monthly payments shall not be paid, but in lieu thereof the then present value of such monthly payments shall be paid to such beneficiary upon the death of the annuitant. Any beneficiary entitled to receive monthly payments amounting to less than \$10 under a retirement or beneficiary annuity granted prior to the effective date of this paragraph (1957), may elect at any time to receive the then present value of the remainder of his benefit.

SECTION 20. 66.906 (4) (a) and (5) of the statutes are amended to read:

66.906 (4) (a) Notwithstanding the fact that any annuity is payable for life, if any annuitant *under age 65* receiving a retirement annuity enters the service of any *participating municipality by which he was employed within 5 years prior to the beginning date of the annuity*, the annuity payable to such annuitant at that time shall be terminated as of the end of the month prior to the date upon which such person received total earnings in all such services in excess of \$1,200 in any calendar year. * * * Earnings under this subsection shall be construed to include also any payment received from any municipality for personal services, including services performed on a contractual basis. * * * No annuitant shall * * * be * * * deemed to be a participating employe * * *.

(5) Whenever any *participating municipality* * * * employs any person who is entitled to receive a retirement * * * annuity from the fund, and who was formerly an employe of that municipality, the municipality shall give written notice of such employment to the fund within 15 days of the date of such employment specifying in such notice the name of the employe, his birth date * * * and the date when his new employment began.

SECTION 21. 66.907 (2) (a) 1 and 2 and (e) (intro. par.) of the statutes are amended to read:

66.907 (2) (a) 1. Any participating employe who has not attained age 65 and irrespective of the amount of accumulated credits at the time, is separated from the service of all participating municipalities, and who at such time is totally disabled, either mentally or physically, by a disability which is likely to be permanent. *A person shall not be deemed to be disqualified solely because he is able to perform the duties of any position for which the compensation does not exceed \$1,200 in any calendar year.* The participating municipality shall certify to the fund that such separation occurred because of the disability. For the purposes of this subsection a participant shall, within the limitations of s. 66.903 (1) (b), be considered to be a participating employe if no other employment has intervened since service for the participating municipality, and if the termination of active service for the participating municipality was due to such disability.

2. Except for a disability arising out of employment for a participating municipality, no participating employe shall be eligible for a disability annuity until he has completed at least * * * *20 calendar quarter years* of service for such participating municipality in a position * * * for which he received either current service or prior service credit.

(e) (intro. par.) If the report of any such physician indicates that the annuitant has recovered from disability and is able to perform the duties of any regular position *for which the annual compensation exceeds \$1,200*, or if the annuitant refuses to submit to such examination, the disability annuity shall terminate as of the end of the month previous to the date of determination by the board of such recovery or refusal. Thereupon, if the annuity which can be provided on such date of termination from the present value of the portion of the terminated disability annuity originally provided by accumulated credits of the employe:

SECTION 22. 66.907 (2) (c) 2 of the statutes is repealed and recreated to read:

66.907 (2) (c) 2. The sum of the amount of the annuity that can be provided from the accumulation of additional credits on the date the disability annuity begins, plus the lesser of the following amounts: 50 per cent of the final rate of earnings, or 1½ per cent of the final rate of earnings multiplied by the number of years of prior service and of current service including in the latter assumed service between the date the disability occurred and the date on which the applicant will attain the age of 65. The number of such total years shall be determined to the nearest

full year. Whenever the applicant shall qualify for disability benefits or for old-age benefits as a retired worker under the federal old-age and survivors insurance system, the amount of his disability annuity, other than the amount attributable to his additional contributions, shall be reduced by 40 per cent of the amount thereof, but in no event shall such reduction lower the disability annuity below that which could have been provided under subd. 1. Such reduction shall be effective with the annuity for the fourth month after the attainment of age 50, or after the annuity is approved if over age 50, except during such period as the disability annuitant shall furnish evidence to the fund that he is not eligible for benefits from the federal old-age and survivors insurance system.

SECTION 23. 66.908 (2) (c) and (e) of the statutes are amended to read:

66.908 (2) (c) Upon the death of a person receiving a disability or retirement annuity, * * * or a person who had been granted a disability or retirement annuity which had not commenced, the excess of the sum of the accumulated additional and normal credits of such annuitant which were used at the time the annuity began to provide the disability or retirement annuity, over the sum of all annuity payments to which he had become entitled prior to his death. Such death benefit shall be at least \$500 less the sum of all annuity payments to which he had become entitled prior to his death.

(e) Upon the death of a person granted or receiving a disability annuity, if a beneficiary or beneficiaries to whom a death benefit is payable are a wife, minor child, or dependent husband designated as beneficiaries on the date the disability annuity was approved, the present value, at the date of death of such annuitant, of a beneficiary annuity (terminating in the case of a minor child at the end of the month in which he shall reach the age of 21) of the monthly amount to which such beneficiary would have become entitled if death had occurred on the day prior to the date on which the disability annuity commenced. For the purposes of this paragraph, the \$10 minimum annuity provision in s. 66.909 (1) shall be disregarded and present values shall be determined in accordance with the prescribed rate of interest and approved actuarial tables in effect on the date of approval of such death benefit by the board. Payment hereunder shall be completely in lieu of any payment to such beneficiary under par. (c), *provided that if the death benefit payable to such beneficiary under this paragraph would be less than the amount determined under par. (c) the death benefit shall be payable under par. (c) and this paragraph shall not be applicable to such beneficiary.*

SECTION 24. 66.909 (1) (c) of the statutes is amended to read:

66.909 (1) (c) A beneficiary who is a spouse may, in lieu of a life annuity, elect to receive an annuity pursuant to s. 66.906 (3) and all of the provisions of s. 66.906 (3) relating to a * * * participant shall apply to such spouse except that the provisions of s. 66.906 (3) (aa) shall be completely inapplicable.

SECTION 25. 66.909 (1) (e) of the statutes is created to read:

66.909 (1) (e) The annuity granted to a beneficiary who is a minor child entitled to a death benefit under s. 66.908 (2) (e) shall terminate at the end of the month in which he attains age 21.

SECTION 26. 66.91 (1) of the statutes is amended to read:

66.91 (1) Any participant who is not employed by a participating municipality and who at the time of application therefor would not be entitled to either a retirement or disability annuity beginning immediately. Subsequent employment by a participating municipality prior to approval

of the separation benefit shall cancel the application. *Irrespective of the restrictions provided in this subsection any person not entitled to a retirement annuity or a disability annuity shall 6 months after he is last a participating employe become eligible to apply for and receive a separation benefit.*

SECTION 27. 66.912 (1) (b) and (e) of the statutes are amended to read:

66.912 (1) (b) Consider and pass on all applications for annuities and benefits, authorize the payments of all annuities and benefits and terminate any such payment, all in accordance with * * * ss. 66.90 to 66.918 * * *. Separation benefits, *death benefits, retirement annuities and beneficiary annuities* may be *processed and paid* upon the approval of the executive director and the actuary *provided that no such annuity shall be continued beyond the date of the meeting of the board next following the first payment thereof unless the payment of the annuity is then authorized by the board.* The executive director with the approval of the legal advisor may suspend an annuity pending final action by the board when in their judgment the annuitant is not eligible to receive such annuity. * * *

(e) Certify all normal employe and municipality contribution rates and the prescribed rate of interest as * * * *certified* in writing by the actuary and notify all participating municipalities thereof.

SECTION 28. 66.912 (1) (n) of the statutes is repealed and recreated to read:

66.912 (1) (n) Submit an annual statement to the governing body of each participating municipality, and to any participating employe upon request, as soon after the end of each calendar year as possible. Such statement shall include a balance sheet, showing the financial and actuarial condition of the fund as of the end of the calendar year, a statement of receipts and disbursements during such year, a statement showing changes in the assets, liability, reserve and surplus accounts during such year, information as to investments, and such additional statistics as are deemed necessary for a proper interpretation of the condition of the fund. There shall be available to each participant or participating municipality upon written request a detailed statement of investments showing, as of the end of such year, the title of each security, purchase price, coupon rate, effective interest rate, amortized book value, maturity date and amount of due and accrued interest.

SECTION 29. 66.912 (1) (t) of the statutes is amended to read:

66.912 (1) (t) Establish such rules * * * as are deemed necessary or desirable for the efficient administration of the fund and * * * make, amend or repeal rules which shall change the time or period within which or by which or for which reports must be made or other acts must be performed as specified in ss. 66.903 (2) (e), 66.905 (1) (a) * * *, (4) * * *, (7) * * * and (8), 66.915 (5) and 66.917 (1) (a) *or elsewhere in the statutes.*

SECTION 30. 66.916 (4) of the statutes is amended to read:

66.916 (4) The balance at the beginning of any year in the annuity payment or annuity payment surplus account, as adjusted by transfers thereto and payments therefrom, shall be credited with interest * * * as of the end of each year *at the prescribed rate or at the effective rate, whichever is higher.*

SECTION 31. 66.916 (5) of the statutes is created to read:

66.916 (5) The board may transfer the balance in the death surplus account which was eliminated by chapter 55, laws of 1955, to any fund

account now existing or hereafter created. The board may create such reserves as it deems advisable.

SECTION 32. 66.918 (1) (intro. par.) and (a) of the statutes are repealed.

SECTION 33. 66.918 (1) (a) of the statutes is created to read:

66.918 (1) (a) None of the moneys mentioned in ss. 66.90 to 66.918 shall be assignable, either in law or equity, or be subject to execution, levy, attachment, garnishment or other legal process.

SECTION 34. 144.07 (4) (g) of the statutes is repealed.

SECTION 35. 66.902 (5) (a) and (b) of the statutes shall not apply to any annexation or consolidation after the effective date of this act (1957), and the revisor of statutes may omit s. 66.902 (5) in printing the statutes.

SECTION 36. This act shall take effect October 1, 1957, except that SECTIONS 17 and 20 shall take effect December 31, 1957, and SECTION 28 shall be effective for statements for all calendar years after 1955.

Approved May 6, 1957.
